UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D.C. 20460

June 24, 2003

OFFICE OF
THE ADMINISTRATOR
EPA SCIENCE ADVISORY BOARD

Note to the Reader:

The attached draft report is a draft report of the Air Quality Modeling Subcommittee of the Advisory Council on Clean Air Compliance Analysis (COUNCIL). The draft is still undergoing subcommittee review. Once approved by the subcommittee, the report will be reviewed by the COUNCIL at a public session, and if approved, then transmitted to the EPA Administrator and will become available to the interested public as a final report.

This draft has been released for general information to members of the interested public and to EPA staff. This is consistent with the SAB policy of releasing draft materials only when the Committee involved is comfortable that the document is sufficiently complete to provide useful information to the reader. The reader should remember that this is an unapproved working draft and that the document should not be used to represent official EPA or Council views or advice. Draft documents at this stage of the process often undergo significant revisions before the final version is approved and published.

The SAB is not soliciting comments on the advice contained herein. However, as a courtesy to the EPA Program Office that is the subject of the review, we have asked them to respond to the issues listed below. Consistent with SAB policy on this matter, the Council is not obligated to address any responses it receives. Responses are due no later than July 9.

1. Has the Committee adequately responded to the questions posed in the Charge?
2. Are any statements or responses made in the draft unclear?
3. Are there any technical errors?

For further information or to respond to the questions above, please contact:

Dr. Angela Nugent, Designated Federal Officer
EPA Science Advisory Board (1400A)
US Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460-0001
(202) 564-45462 Fax: (202) 501-0323
E-Mail: nugent.angela@epa.gov

United States Environmental Protection Agency

EPA Science Advisory Board (1400A) Washington DC

EPA-SAB-COUNCIL-ADV-03-00x
July 2003
www.epa.gov/sab

Advisory on Plans for Emissions Estimation Presented in the May 12, 2003 Analytical Plan: An Advisory by the Air Quality Modeling Subcommittee of the Advisory Council for Clean Air Compliance Analysis

Insert Date

EPA-SAB-COUNCIL-ADV-03-00x

XXXXXXX
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Subject: Advisory on Plans for Emissions Estimation Presented in the May 12, 2003 Analytical Plan:: An Advisory by the Air Quality Modeling Subcommittee of the Advisory Council for Clean Air Compliance Analysis

Dear XXXXX:

Sincerely,

David Allen, Chair
Air Quality Modeling Subcommittee

Dr. Trudy Cameron, Chair
Advisory Council on Clean Air Compliance Analysis

NOTICE

This report has been written as part of the activities of the EPA Science Advisory Board, a public advisory group providing extramural scientific information and advice to the Administrator and other officials of the Environmental Protection Agency. The Board is structured to provide balanced, expert assessment of scientific matters related to problems facing the Agency. This report has not been reviewed for approval by the Agency and, hence, the contents of this report do not necessarily represent the views and policies of the Environmental Protection Agency, nor of other agencies in the Executive Branch of the Federal government, nor does mention of trade names of commercial products constitute a recommendation for use.

Distribution and Availability: This EPA Science Advisory Board report is provided to the EPA Administrator, senior Agency management, appropriate program staff, interested members of the public, and is posted on the SAB website (www.epa.gov/sab). Information on its availability is also provided in the SAB's monthly newsletter (Happenings at the Science Advisory Board). Additional copies and further information are available from the SAB Staff [US EPA Science Advisory Board (1400A), 1200 Pennsylvania Avenue, NW, Washington, DC 20460-0001; 202-564-4533].

U.S. Environmental Protection Agency
Science Advisory Board
Advisory Council on Clean Air Compliance Analysis
Air Quality Modeling Subcommittee*

CHAIR
Dr. David T. Allen, University of Texas, Austin, TX

CONSULTANTS
Dr. David Chock, Ford Motor Company, Dearborn, MI

Dr. D. Alan Hansen, Electric Power Research Institute (EPRI), Palo Alto, CA

Dr. Harvey E. Jeffries, University of North Carolina, Chapel Hill, NC

Dr. Paulette Middleton, Panorama Pathways, Boulder, CO

Mr. Ralph Morris, Environ Corp., Novato, CA

Dr. James Price, Texas Commission on Environmental Quality, Austin, TX

Dr. Armistead (Ted) Russell, Georgia Institute of Technology, Atlanta, GA

Dr. Chris Walcek, State University of New York, Albany, NY

SCIENCE ADVISORY BOARD STAFF
Dr. Angela Nugent, Designated Federal Officer, 1200 Pennsylvania Avenue, NW, Washington, DC, Phone: 202-564-4562, Fax: 202-501-0323, (nugent.angela@epa.gov)

* Members of this SAB Panel consist of
a. SAB Members: Experts appointed by the Administrator to serve on one of the SAB Standing Committees.
b. SAB Consultants: Experts appointed by the SAB Staff Director to a one-year term to serve on ad hoc Panels formed to address a particular issue.

U.S. Environmental Protection Agency
Science Advisory Board
Advisory Council on Clean Air Compliance Analysis
Special Council Panel for the Review of the Third 812 Analysis*

CHAIR

Dr. Trudy Cameron, Raymond F. Mikesell Professor of Environmental and Resource Economics, Department of Economics, University of Oregon, Eugene, OR
Also Member: Executive Committee

MEMBERS

Dr. David T. Allen, The Gertz Regents Professor in Chemical Engineering, Department of Chemical Engineering, University of Texas , Austin, TX

Ms. Lauraine Chestnut, Manager, Stratus Consulting Inc, Boulder , CO

Dr. Lawrence Goulder, Associate Professor, Department of Economics & Institute for International Studies, Stanford University, Stanford, CA
Also Member: Environmental Economics Advisory Committee

Dr. James Hammitt, Professor of Economics and
Decision Sciences, Department of Health Policy and Management, School of Public Health, Harvard University, Boston, MA

Dr. F. Reed Johnson, Principal Economist and RTI Fellow, RTI Health Solutions, Research Triangle Institute, Research Triangle Park, NC

Dr. Charles Kolstad, Professor, Department of Economics, Bren School of Environmental Science and Management, University of California, Santa Barbara, CA

Dr. Lester B. Lave, Professor, Graduate School of Industrial Administration, Carnegie Mellon University, Pittsburgh, PA

Dr. Virginia McConnell, Senior Fellow; Professor of Economics, Resources for the Future, Washington, DC

Dr. Bart Ostro, Chief, Air Pollution Epidemiology Unit, California Office of Environmental Health Hazard Assessment (OEHHA), Oakland, CA

Dr. V. Kerry Smith, University Distinguished Professor, Department of Agricultural and Resource Economics, College of Agriculture and Life Sciences, North Carolina State University, Raleigh, NC

OTHER SAB MEMBERS

Dr. Dale Hattis, Research Professor, Center for Technology, Environment, and Development, Marsh Institute, Clark University, Worcester, MA
Member: Environmental Health Committee

CONSULTANTS

Dr. John Evans, Senior Lecturer on Environmental Science, Harvard University, Portsmouth, NH

Dr. D. Warner North, President, North Works Inc, Belmont, CA

Dr. Thomas S Wallsten, Professor, Department of Psychology , University of Maryland, College Park, MD

SCIENCE ADVISORY BOARD STAFF

Dr. Angela Nugent, Designated Federal Officer, 1200 Pennsylvania Avenue, NW, Washington, DC, Phone: 202-564-4562, Fax: 202-501-0323, (nugent.angela@epa.gov)

* Members of this SAB Panel consist of

a. SAB Members: Experts appointed by the Administrator to serve on one of the SAB Standing Committees.

b. SAB Consultants: Experts appointed by the SAB Staff Director to a one-year term to serve on ad hoc Panels formed to address a particular issue.

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

2. INTRODUCTION

2.1. Background on this Advisory

The purpose of this Advisory is to provide commentary and guidance on EPA plans for developing emissions inventories described in the May 12, 2003 review document, Benefits and Costs of the Clean Air Act 1990-2020: Revised Analytical Plan for EPA's Second Prospective Analysis (Analytical Plan).

The Air Quality Modeling Subcommittee (AQMS) of the Advisory Council on Clean Air Compliance Analysis (Council) held a public meeting on June 12, 2003 to receive briefings and conduct preliminary discussions of major topics related to the approach to emission inventory development described Analytical Plan. One of the members of the Advisory Council on Clean Air Compliance Analysis, Special Council Panel for the Review of the Third 812 Analysis, who was added to the Council especially to address issues associated with analysis of uncertainty, joined the meeting. In their discussions, members focused on issues related to the Agency's plan to develop emissions inventories. They prepared written comments related to the review document and responded to several charge questions from the Agency related to emissions. The charge questions are listed in Section 2.2. The AQMS held a public teleconference on July 11, 2003 to discuss its advice. The Council held a public teleconference on July 15, 2003 to discuss and formalize the advice to the EPA Administrator on this topic.

In its review of the analytical plan, the Council and AQMS are guided by the Council mandate, as identified in the Clean Air Act Amendments(CAA) of 1990,1

a) Are the input data used for each component of the analysis sufficiently valid and reliable for the intended analytical purpose?

b) Are the models, and the methodologies they employ, used for each component of the analysis sufficiently valid and reliable for the intended analytical purpose?

c) If the answer to either of the two questions above is negative, what specific alternative assumptions, data or methodologies does the Council recommend the Agency consider using for the second prospective analysis?

2.2. Charge Questions Related to Emissions

EPA identified charge questions related to emissions, which are listed below. The Charge Questions are excerpted from the list of charge questions provided by the Agency on May 12,

[1]Specifically, subsection (g) of CAA "312 (as amended by "812 of the amendments) states: "*(g) The Council shall -- (1) review the data to be used for any analysis required under this section and make recommendations to the Administrator on the use of such data, (2) review the methodology used to analyze such data and make recommendations to the Administrator on the use of such methodology; and (3) prior to issuance of a report required under subsection (d) or (e), review the findings of such report, and make recommendations to the Administrator concerning the validity and utility of such findings.*"

2003 and the question numbers listed below are drawn from the May 12 document.

Charge Question 3: Does the Council support the alternative compliance pathway estimation and comparison methodology described in chapter 2, including the specification of alternative compliance pathways which may not reflect precisely constant emissions or air quality outcomes between scenarios due (primarily) to the non-continuous nature and interaction effects of emission control options?

Charge Question 4: Does the Council support the plans for estimating, evaluating, and reporting emissions changes as defined in chapter 3? If there are particular elements of these plans which the Council does not support, are there alternative data or methods the Council recommends?

Charge Question 5: Chapter 3 of the analytical plan describes several alternative approaches considered by EPA for estimating non_EGU emissions growth rates. These options reflect different relative emphasis between two conflicting analytical objectives: (1) extensive refinement of the geographically-differentiated, source_specific economic activity growth estimates embedded in EGAS 4.0, and (2) maintaining the current project schedule and budget. EPA plans to use "approach #4", a compromise option which targets the most important source categories for potential refinement. Does the Council support the initial plan to use "approach #4"? If the Council does not support the use of approach #4, are there other approaches –including either the approaches described in chapter 3 or others identified by the Council– which the Council suggests EPA consider?

Charge Question 6: Some state-supplied emissions data incorporated in the 1999 National Emissions Inventory (NEI) –the core emissions inventory for this analysis– incorporate different emissions factors from those used in MOBILE6, the mobile source emissions model EPA plans to use for estimating emissions changes between scenarios. Of particular importance, some of the emissions factors embedded in California's EMFAC model may be significantly different from factors used in MOBILE6. EPA considered three options for estimating emissions changes in California, which are described in chapter 3. EPA plans to implement option #3 based on the belief that the emission factors embedded by California in its EMFAC model may be more accurate for their particular state than the factors incorporated in MOBILE6. Does the Council support the plan to implement option #3? If the Council does not support the adoption of option #3, are there other options –including either the options described in chapter 3 or others identified by the Council– which the Council suggests EPA consider?

3. RESPONSES TO CHARGE QUESTIONS RELATED TO EMISSIONS

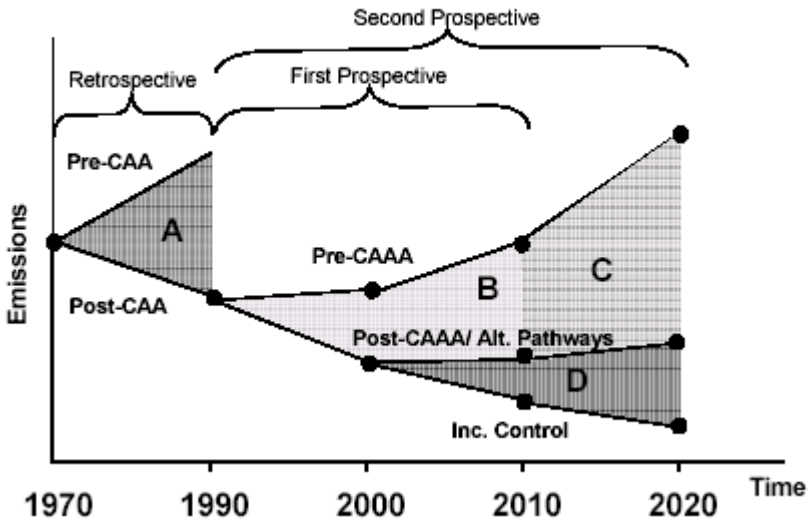
The Council's preliminary responses to the charge questions related to emissions are provided below. Development of emission inventories is one of the first steps to be undertaken in performing a cost-benefit assessment of the Clean Air Act Amendments, and the intent of the Air Quality Modeling Subcommittee and the Council in providing these responses to charge questions is to inform the Agency's initial development of emission inventories. The Subcommittee and the Council may revisit these questions as the Agency further develops emission inventories and as the Subcommittee and Council consider additional charge questions.

Responses to charge question 3 focus on the development of emission scenarios; responses to question 4, 5 and 6 address the methods of emission estimation, the methods used to "grow" emission inventories for future years, and the consistency of emission inventories from multiple information sources, respectively. Methods for dealing with uncertainty are addressed in each of these areas. In addition, the Council has integrated its advice related to emissions uncertainty into a set of summary comments.

Agency Charge Question (3): Does the Council support the alternative compliance pathway estimation and comparison methodology described in chapter 2, including the specification of alternative compliance pathways which may not reflect precisely constant emissions or air quality outcomes between scenarios due (primarily) to the non-continuous nature and interaction effects of emission control options?

Response to Agency Charge Question (3): The EPA proposes to identify three scenarios and five pathways in the Second Prospective analysis. These are illustrated conceptually in Exhibit 2-7 from the Analytical Plan, which is reproduced below.

Exhibit 2-7: Comprehensive Schematic of Section 812 Scenarios and Emissions over Time



As described in the draft Analytical Plan, the three scenarios include a base scenario of controls and two types of supplemental scenarios, described as alternative pathway scenarios and increased control scenarios. For the alternative pathway analyses, EPA plans to assess a redistribution of emissions reductions across source categories. EPA also proposes to examine the costs and benefits of standards more stringent than those required by the CAAA.

The 5 pathways represent scenarios for the redistribution of controls across source categories and are described in the Analytical Plan as follows:

- Pathway 1: This pathway would reflect the electric generating unit cap and trade proposals included in the Clear Skies Initiative. These proposals include emissions caps of 3 million tons, 1.7 million tons, and 15 tons for SO , NO , and mercury respectively for the year 2018. With this pathway's emphasis on emissions caps and allowance trading, other control methods included in the post-CAAA scenario would be eased since they would not be necessary for core CAAA compliance.
- Pathway 2: The second pathway would target the closure or modernization of coal-fired power plants as a means of complying with the Amendments, potentially by terminating New Source Review grandfathering for old emissions sources. This scenario is intended to reflect recent recommendations from the National Academy of Public Administration. With the decline in emissions from coal-fired power plants, other post-CAAA controls not necessary for core CAAA compliance would be excluded from this pathway.
- Pathway 3: The third alternative pathway tightens NO and VOC emissions restrictions on motor vehicles while loosening CAAA standards for other source categories. The specific control programs would include: (a) expansion of Federal reformulated gasoline to the entire Ozone Transport Assessment Group (OTAG) region, and (b) application of high enhanced inspection and maintenance (I/M) in metropolitan statistical areas and consolidated metropolitan statistical areas with 2000 population greater than 500,000. We are also exploring options to reflect additional measures beyond expanded reformulated gasoline and enhanced I/M programs as part of this scenario.
- Pathway 4: This pathway combines pathways 1 and 3 and eases other controls so that emissions remain at post-CAAA levels.
- Pathway 5: This pathway combines pathways 2 and 3 and eases other controls so that emissions remain at post-CAAA levels.

The EPA's plan is, for each of the scenarios, to have the multiple pathways lead to the same amounts of emission reductions on a tonnage basis. AQMS members had multiple reservations about this approach. One set of concerns was due to variations in uncertainties in emissions and emissions projections, which depend on source category. Because of differences in uncertainties, different pathways that lead to the same nominal estimate of emissions may have significantly different uncertainties. The EPA should characterize the differences in uncertainties associated with the alternative pathways. A second set of concerns was associated with differences in spatial and temporal patterns of emissions associated with different pathways. For example, mobile source emissions have very different daily patterns of emissions and different

emission locations than point sources. These differences can lead to significant differences in the benefits of the reductions, so the EPA should consider not only the differences in the costs of the various pathways, but also the differences in benefits. Different pathways may also be implemented with different schedules. The EPA should also consider differences in compliance schedules associated with the alternative pathways.

AQMS members also had concerns about emissions projections for the scenarios. A generic concern was the substantial of uncertainty associated with any projection to 2020. More specifically, there was concern about how the EPA would develop assumptions regarding the controls that would be promulgated through State Implementation Plans (SIPs). Because the 812 study will be so dependent upon rules developed through SIPs and OAQPS actions, the AQMS needs a clear understanding of the work underway at OAQPS. In general, the analytical plan relies too heavily on assertions that work or methods developed at OAQPS will be central or used in 812, without adequately presenting the methods, data sources, and quality of analysis and review of these works. The many intermediate reports and appendices for the most critical OAQPS efforts need to be made available to the AQMS.

Finally, the AQMS notes that as the second prospective study evolves, EPA should recognize that different strategies for reaching the PM NAAQS, which is based on total PM mass, lead to differences in PM composition. Since evidence is growing that different PM components have different toxicities, differences in composition may lead to differences in health benefits. The EPA should consider performing sensitivity analyses associated with different assumptions about the relative toxicities of different control strategies.

Agency Charge Question (4): Does the Council support the plans for estimating, evaluating, and reporting emissions changes as defined in chapter 3? If there are particular elements of these plans which the Council does not support, are there alternative data or methods the Council recommends?

Response to Agency Charge Question (4): Recommendations related to emission estimation methods are organized into those related to ozone precursors (volatile organic compounds, VOCs and oxides of nitrogen, NOx), those related to particulate matter and particulate matter precursor emissions, and those related to the case study of hazardous air pollutants (HAPs).

Emission inventories for volatile organic compounds (VOCs) and NOx (ozone precursors)**:** The method proposed for developing base year (2000) emission inventories, specifically the use of the 1999 National Emission Inventory (NEI99) scaled to represent the year 2000, is generally sound. Use of the most recent version of the NEI99, Version 3 (v3), is proposed, however, depending on when the emission inventory is developed, it may be more appropriate to use the NEI99 v2 inventory. As of mid-2003, only the first submission of the NEI99 v3 is available and this version has not undergone quality assurance by EPA and revisions by the states to address EPA's quality assurance concerns. In contrast, the NEI99 v2 has undergone quality assurance processes. Regardless of which version of the NEI is used, however, additional issues will arise. One issue, not addressed in the analytical plan, is how emissions for Canada and Mexico will be addressed. Another issue will be the assignment of specific

compounds to point source VOC emissions reported in the NEI. The states have expended considerable effort in characterizing the composition profiles, and therefore the overall reactivity, of point source emissions, and these profiles are in some cases considerably different than default profiles. While the effort required to employ all state-generated point source profiles is likely beyond the scope of the current cost-benefit (812) assessment, the EPA should consider performing sensitivity analyses using emissions-generated with some state-generated point source emission inventories. Houston should be one of the regions used to explore the differences between state-estimated emission compositions and default values because these differences are known to be large in Houston and because the Houston inventory will be examined in detail for the case study of benzene emissions.

While use of the NEI99, scaled to 2000, is recommended as the primary source of emissions data, specific emission source categories may require additional attention. For on-road mobile source emissions, the use of the MOBILE6 model, as described in the draft analytical plan, is appropriate for estimating on-road mobile source emissions outside of California. However, the EPA should recognize that a number of recent analyses have suggested that MOBILE6 estimates of ozone precursor emissions are inconsistent with data collected in tunnels or in aircraft overflights of highways. Therefore, it may be appropriate to conduct sensitivity analyses that specifically address this uncertainty. For non-road mobile sources, the new EPA NONROAD model is the most appropriate model for estimating non-road mobile source emissions outside of California, as suggested in the draft analytical plan. However, recent studies by states have suggested that activity factors for construction vehicles may differ substantially from the values assumed in the models. Again, it may be appropriate to conduct sensitivity analyses that specifically address this uncertainty. The procedures described in the draft analytical plan for estimating non-road source emissions for the three subcategories not in the NONROAD model (i.e., locomotives, aircraft and commercial marine) also seem appropriate. The EPA should note that, in California, the ARB OFFROAD non-road mobile source model is used to estimate emissions, and these can be different from the NONROAD model. The EPA should pursue discussions with the California Air Resources Board (ARB) about obtaining emission estimates for the non-road mobile source sector in California.

For biogenic emissions, which will drive atmospheric reactivity in much of the United States, the use of the latest version of the biogenic emission inventory system (BEIS3), as described in the draft plan, should improve biogenic emissions including the specification of many more biogenic VOC components.

Emission inventories for particulate matter and particulate matter precursors: Developing accurate estimates of the emissions of particulate matter and particulate matter precursors is critical for this cost-benefit (812) assessment because the largest health effects in the 812 analysis will likely come from the fine particulate matter (PM) impacts. The most important components of fine PM in the eastern US are (in typical decreasing importance) sulfate, organic carbon (OC), primary PM, elemental carbon, nitrate and ammonium. In the west, nitrate, ammonium and primary PM are ranked relatively higher than in the east. Therefore, inventories of the emissions of these components of particulate matter, and their precursors, deserve significant attention, however, significant uncertainties remain in many of these inventories. Among the most significant uncertainties are those associated with the composition and size distributions of

primary particulate emissions, ammonia emissions, emissions from fires, fugitive dust emissions, and emissions of secondary organic aerosol (SOA) precursors.

The magnitude of PM emissions is obviously important in estimating the ambient concentrations of PM, but the importance of the composition and size distributions may be less clear. Size distributions have a significant impact on the atmospheric lifetime of particles; the composition is known to have a significant effect on the visibility impacts of the particles and may have an effect on the health impacts of the particles. Inventories of particulate matter emissions have relatively little information on the composition and size distributions of particulate matter, therefore the analytical plan should describe in detail the assumptions that will be made to address this data gap.

For ammonia, recent studies (e.g., WRAP, MRPO/LADCO, CMU, EPA) indicate that the ammonia emissions in the NEI99 and the procedures used to spatially and temporally distribute those emissions in air quality models are incorrect. The MRPO/LADCO, WRAP, and CMU ammonia emission inventory development and improvement studies should be considered in developing the plan for estimating ammonia emissions and more information on how ammonia emissions will be modeled should be incorporated into the analytical plan.

Emissions from fires are highly uncertain. Agricultural burns, prescribed burns and wildfires will locally dominate particulate matter emissions when they occur. Because wildfires have been suppressed over the last century, there has been a build up of biomass that would have normally been cleaned out with regular fires. This has led to an increase in larger wildfires in recent years (e.g., 2000 and 2002) and the development of fire management plans to perform more off-season prescribed burns to prevent catastrophic wildfires. The draft analytical plan does not document how fire emissions will be estimated for 1990 and 2000, but implies that actual emission estimates may be used. Given the year-to-year variability in wildfire emissions and the overall goal of the 812 analysis (documentation of long-term costs and benefits of the Clean Air Act Amendments), it may be more appropriate to use long term average emissions, rather than emissions from any one year, that may be atypically high or low.

For fugitive dust emissions from paved and unpaved roads, the draft analytical plan states that emissions estimates will be multiplied by 0.25, which assumes that 75% percent of the emissions are not transported beyond the immediate vicinity of the roadway. The justification for this number is not provided. The MRPO is assuming a 90% non-transportable fraction (i.e., 0.10 multiplicative factor). Some rationalization for the choice of transportable fraction should be provided. Methods for estimating fugitive dust from agricultural operations are described in the draft analytical plan, but the draft analytical plan is silent on the methods to be used for all other wind-blown, fugitive dust sources. These sources can be important locally, and can be important regional sources in the arid southwest. Methods for estimating the strength of these sources should be described in the analytical plan.

There is an increasing body of evidence suggesting that biogenic hydrocarbons may be important particulate matter precursors in many parts of the United States. To accurately predict organic particulate matter formation due to the reactions of biogenic emissions (biogenic secondary organic aerosol, biogenic SOA), it is necessary to know both the magnitude and

composition of the emissions. In addition, the characterization of the composition of the biogenic emissions provided by the emission model must be compatible with the chemistry module used in the air quality model. The use of the BEIS3 emission inventory estimation methods, as described in the draft analytical plan, should improve estimates of the magnitude and composition of biogenic emissions. However, no documentation is provided on how the particulate matter air quality model (REMSAD Version 7.06) will treat SOA. The reference to documentation provided in the draft analytical plan on REMSAD in Appendix B is for an outdated version of the model that does not treat SOA (Version 7.03). This is a deficiency in the analytical plan that should be corrected. The presentation on REMSAD at the June 12th meeting indicated that REM7.06 uses two SOA precursor species. This limited characterization of SOA precursors will severely limit the composition information from the inventory that can be used.

While biogenic emissions are expected to be important SOA precursors in many parts of the US, anthropogenic emissions of SOA precursors (especially aromatic species) may be very important in urban areas. As with biogenic emissions, both the magnitude and composition of the anthropogenic SOA precursor emissions must be known and the characterization of the composition of the emissions must be compatible with the chemistry module used in the air quality model. These issues should be addressed in the analytical plan.

Emission inventories for the HAP case study: The draft analytical plan proposes to use the costs and benefits of benzene controls in the Houston area as a case study for assessing the costs and benefits of HAP controls. This is a sound approach and the choice of this particular case study (benzene in Houston) will allow the EPA access to a very robust set of emission estimates and ambient measurements collected by the State of Texas. The draft analytical plan does not refer to any of these sources of information, however. The EPA should work with the Texas Commission on Environmental Quality (TCEQ) to obtain the most recent data available on benzene emissions in the Houston-Galveston area, particularly for point sources. In addition, it is recommended that the EPA extend the study region beyond Harris County, which is the domain specified in the analytic plan. The county boundary does not include either the entire industrial or the entire urban region, and since detailed emissions and monitoring data are available from the TCEQ for the broader airshed, the domain for the HAP analysis should be expanded to include all of the major sources and receptor sites in the region.·

Agency Charge Question (5): Chapter 3 of the analytical plan describes several alternative approaches considered by EPA for estimating non-EGU emissions growth rates. These options reflect different relative emphasis between two conflicting analytical objectives: (1) extensive refinement of the geographically-differentiated, source-specific economic activity growth estimates embedded in EGAS 4.0, and (2) maintaining the current project schedule and budget. EPA plans to use "approach #4", a compromise option which targets the most important source categories for potential refinement. Does the Council support the initial plan to use "approach #4"? If the Council does not support the use of approach #4, are there other approaches –including either the approaches described in chapter 3 or others identified by the Council– which the Council suggests EPA consider?

Response to Agency Charge Question (5): The Council has interpreted this charge question, together with charge question 4, to encompass all of the emission forecasting methods

to be used in the analysis. The Council's advice on emission forecasting is given below, and includes recommendations for characterizing forecasting uncertainties.

For Electrical Generating Units (EGUs), the approach to use the IPM for EGU projections appears to be the most scientifically valid approach. During OTAG concerns were raised about the IPM being a proprietary model that had restricted access so that the public and stakeholders could not gain access to the model and its underlying data. No mention of whether IPM continues to be a restricted access proprietary model is made in the analytical plan. EPA is discouraged from using restricted access proprietary models for making public policy decisions such as the Section 812 analysis.

Among the non-EGU sources, the approaches outlined in the plan appear to be reasonable given the time and resource limitations associated with the 812 analysis.

The most significant comments that the AQMS had on the emission forecasting procedures documented in the draft analytical plan dealt with the estimation of uncertainty. The Subcommittee commends the EPA on their responsiveness to Council recommendations from the first prospective analysis, which suggested comparing previous forecasted emissions with actual emissions (e.g., comparing the forecasts for 1999/2000 emissions based on 1990 data to the current emissions estimates for those years). These analyses can lead to considerable insight into the magnitude and nature of emission forecasting uncertainties and should be performed each time that a new inventory, previously forecast, is available. The analysis should include assessment and documentation of the differences between current and previously forecast inventories, documentation of the reasons for observed differences, and assessment of the degree to which previous uncertainty estimates captured observed differences. This final task is particularly important, even in fields with well established procedures for estimating uncertainties (such as measurements of elementary particle masses by physicists), it is found that traditional statistical procedures for estimating standard errors and uncertainties systematically understate actual uncertainties as later calculated by comparing improved measurements with older measurements and previously estimated uncertainties (Shlyakhter, 1994a,b; Shlyakhter and Kammen, 1994; Hattis and Burmaster, 1994). Low estimates of uncertainty prevail because traditional statistical uncertainty estimation approaches tend to be based solely on random sampling-error uncertainties in the data, neglecting what frequently turns out to be appreciable systematic or calibration errors. Developing fair estimates of uncertainties for the CAAA benefit and cost projections will require analysts to have inputs that can be interpreted in terms of both random and systematic uncertainties. Systematic evaluation of the extent and reasons for changes in successive sets of emissions estimates will be a start toward providing invaluable inputs to the overall uncertainty analysis.

Agency Charge Question (6): Some state-supplied emissions data incorporated in the 1999 National Emissions Inventory (NEI) –the core emissions inventory for this analysis– incorporate different emissions factors from those used in MOBILE6, the mobile source emissions model EPA plans to use for estimating emissions changes between scenarios. Of particular importance, some of the emissions factors embedded in California's EMFAC model may be significantly different from factors used in MOBILE6. EPA considered three options for estimating emissions changes in California, which are described in chapter 3. EPA plans to

implement option #3 based on the belief that the emission factors embedded by California in its EMFAC model may be more accurate for their particular state than the factors incorporated in MOBILE6. Does the Council support the plan to implement option #3? If the Council does not support the adoption of option #3, are there other options –including either the options described in chapter 3 or others identified by the Council– which the Council suggests EPA consider?

Response to Agency Charge Question (6): The Council has interpreted this charge question, together with charge questions 4 and 5, to broadly encompass issues of consistency in emission estimation and forecasting methods to be used in the analysis. The Council's advice on consistency in emission estimation and forecasting is given below.

Emission estimates (both base case and forecast) that are based on a consistent application of well-documented procedures are the foundation of the 812 analysis. By using the NEI99 as the core of the emission inventory, the EPA is emphasizing consistency in emissions estimates. This consistency must come at the expense of some accuracy since there are many cases where emission estimates more reliable than the NEI are available, but these estimates are available for only certain regions. This is particularly true for the case of California, where alternative methods for estimating emissions, particularly mobile source emissions, have been in place for some time.

The EPA should coordinate with the California's Air Resources Board to use the California-estimated (EMFAC) mobile source emissions. More broadly, the EPA should consider assembling inventories based on a stratified sample of several states (designed to represent the universe of states contributing information) and analyze in detail the differences that would be produced in emission inventories by the use of consistent estimating methodology.

Uncertainty and Quality Assurance Issues: As noted by a multi-national commission (NARSTO – created as the North American Research Strategy for Tropospheric Ozone), "after 20 years of effort, emission estimates continue to be one of the weakest links in the air-quality management process and a major source of uncertainty in the development of ~~O3~~ ozone control strategies." The significant uncertainties associated with emission inventories, coupled with the nature of emission inventory development (multiple source categories, multiple sources of information of varying quality and significance, and the need to incorporate human factors into estimates) makes quality assurance and uncertainty characterization emission estimation particularly important and difficult. During the first prospective, the AQMS suggested to EPA that formal emissions development and testing guidelines be established and this continues to be a significant need.

For characterizing accuracy and uncertainty in base case emission estimates, the EPA should use multiple and redundant sources of information in their estimates. For example, state and national level on-road emission estimates can be estimated with activity (miles traveled) based emission models such as MOBILE6 and models based on fuel consumption. The use of multiple models will either provide more confidence in emission estimates or will identify areas that need improvement. The EPA could also compare their emission estimates to emission

estimates developed independently by other organizations (e.g., WRAP).

REFERENCES

Hattis, D. and Burmaster, D. E. (1994) "Assessment of Variability and Uncertainty Distributions for Practical Risk Analyses" Risk Analysis, 14: 713-730.

Shlyakhter, A. I., and Kammen, D. M., (1992) "Sea-Level Rise or Fall?" Nature, 253:25.

Shlyakhter, (1994) "An Improved Framework for Uncertainty Analysis: Accounting for Unsuspected Errors," Risk Analysis 14:441-447.

Shlyakhter, A. (1994) "Uncertainty Estimates in Scientific Models: Lessons from Trends in Physical Measurements, Population and Energy Projections," In Uncertainty Modeling and Analysis: Theory and Application, B. M. Ayyub and M. M. Gupta, Eds., Elseiver Science, B. V., 1994, pp. 477-496.